MOTION NO. M2013-69
Contract for Advertising and Media Buying Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	9/5/2013	Final Action	Ron Klein, Executive Director of Communications & External Affairs **Tim E. Healy, Marketing & Creative Services Director**	206-398-5393 206-398-5062

PROPOSED ACTION

Authorizes the chief executive officer to execute a one-year contract with four additional one-year options to extend with Green Rubino to provide Advertising and Media Buying services for a total authorized contract amount not to exceed $1,656,000.

KEY FEATURES SUMMARY

- Under this contract, Green Rubino will provide general business advice related to placing advertising media; analyzing present and potential markets for Sound Transit services; and developing plans and implementing advertising campaigns.
- In addition to developing annual advertising campaigns and route promotions, the contractor will help promote the launch of University Link and South 200th Street light rail in 2016.
- The purpose of this contract is to develop and implement advertising programs that:
    - Promote Sound Transit ridership;
    - Promote the launch of new services and opening of new facilities; and
    - Increase awareness of Sound Transit and all of its services within Pierce, Snohomish and King Counties.
- Sound Transit's existing contract to provide advertising and media buying services expired on August 8, 2013.
- The requested amount covers the one-year contract and the four one-year options to extend.

BACKGROUND

Since 1999, Sound Transit has contracted for advertising and media buying services to build awareness of the agency and its services, promote the new services, and help build ridership. During that time, Sound Transit has experienced double-digit growth in ridership, grown its brand awareness to approximately 88 percent, and established a favorable opinion of the agency by 65 percent of the region's population.

The services provided under this contract include developing and producing print, broadcast, billboard and transit exterior, online, and direct mail advertising to support Sound Transit's marketing objectives of building ridership and agency awareness. In particular, Green Rubino will be providing the following services:

- Supplying media buying services as required to place advertising for Sound Transit (media buying services include developing a paid advertising strategy, purchasing advertising space and auditing media invoices for accuracy)
- Creating and preparing advertising ideas and programs
- Preparing estimates of costs for producing the recommended programs
- Checking and verifying insertions, displays, broadcasts or other means used
- Evaluating and reporting on advertising results

On April 29, 2013, Sound Transit advertised a request for proposals from qualified firms who were interested in providing advertising and media buying services for the agency. Green Rubino was selected out of the five proposals that were submitted and reviewed.

Sound Transit will pay the consultant a monthly fee of $24,000 for advertising services based on providing an estimated 150 hours of services per month or 1,800 hours per contract year. Sound Transit will also reimburse the consultant for all pre-approved, reasonable out-of-pocket expenses, delivery charges and travel expenses when applicable.

To offset a portion of the fee paid by Sound Transit for advertising services, Sound Transit will deduct the contract commission fee of 15 percent for placing media from the monthly fee.

FISCAL IMPACT

This action is funded from the Adopted 2013 Communications & External Affairs Department - Marketing Services budget and the Adopted 2013 Service Delivery - Marketing & Rider Information Services budget. An estimated $110,400 will be spent in 2013, $85,400 from Communications & External Affairs Department budget and $25,000 from the Service Delivery budget. Upon the Board's approval of this action, the total remaining budget will be $1,021,000. The remaining contract spending would be charged against future department and service delivery budgets when adopted.

Advertising & Media Buying Services Budget Table

Current Year Budget	Adopted 2013 Budget	Spent to date	2013 Contract Expenditures	Remaining 2013 Budget
Communications & External Affairs - Marketing Services	651	224	85	342
Service Delivery Budget - Marketing & Rider Information	1,276	572	25	679
Total	1,927	796	110	1,021

Contract Spending Plan	Prior Year(s) Spending	2013 Spending	Future Expenditures	Total
Green Rubino	-	110	1,546	1,656

Contract Budget	Current Approved Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
Green Rubino	-	-	1,656	1,656
Contingency	-	-	-	-
Total Contract	-	-	1,656	1,656
Percent Contingency	-	-	-	0%

Notes:

Amounts are expressed in $000s.

Spent to date amounts are as of July 31, 2013.

Communications & External Affairs Marketing Services budget is located on page 74 of the Adopted 2013 Budget book.

Service Delivery - Marketing & Rider Information budget is located on page 18 of the Adopted 2013 Budget book.

Budget for future years will be requested in future budgets.

SMALL BUSINESS PARTICIPATION

Green Rubino has been verified as a Small Business and will perform 90% of this contract which exceeds their Small Business Commitment of 10%. The individuals Green Rubino proposes to use as subcontractors (10%) are independent contractors but cannot be corroborated as Small Businesses.

Small Business Goals
Sound Transit Goal: 10%
Commitment: 10%

EQUAL EMPLOYMENT WORKFORCE PROFILE

42 employees; 64% women; 7% minorities.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

Long-term delays in executing this contract could affect planning and implementation of the 2014 advertising program.

ENVIRONMENTAL REVIEW

JI 8/19/2013

LEGAL REVIEW

RM 8/30/13